

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 762 - SB 1363

March 2, 2023

SUMMARY OF BILL: Requires the Division of TennCare (Division) to reimburse providers of adult day care services based upon the amount of services that are authorized on behalf of an eligible adult, rather than an eligible adult's attendance or absence at the time the services are scheduled to be provided.

FISCAL IMPACT:

Increase State Expenditures - \$1,323,600/FY23-24 and Subsequent Years

Assumptions:

- The proposed legislation would require the Division to reimburse all authorized adult day care services, rather than just those services performed by a provider.
- According to information provided by the Division, 1,338,998 units of adult day care services were authorized in FY21-22, at a rate of \$3.03 per unit. The maximum expenditures for adult day care services in FY21-22 would have been \$4,057,164 (1,338,998 x \$3.03).
- The Division expended approximately \$2,733,607 for adult day care services in FY21-22; therefore, the difference between authorized payments and payments for services rendered in FY21-22 was \$1,323,557 (\$4,057,164 - \$2,733,607).
- The rate of adult day care usage is estimated to remain consistent.
- It is assumed that the required reimbursements will not receive matching federal funds, because compensation, pursuant to this legislation, is provided for services not rendered.
- There will be a recurring increase in state expenditures of approximately \$1,323,557 in FY23-24 and subsequent years to pay for the total amount of authorized adult day care services.

IMPACT TO COMMERCE:

Increase Business Revenue - \$1,323,600/FY23-24 and Subsequent Years

Assumption:

- Adult day care service providers will experience an increase in revenue of approximately \$1,323,557 in FY23-24 and subsequent years.

HB 762 - SB 1363

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/ch